

# South Dakota Medical Assistance Newsletter

## December 2006

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Division of Medical Services  
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### Coordination of Benefits Agreement (COBA) and Medicare Electronic Crossover Claims

All electronic Medicare crossover claims are now coming through the Coordination of Benefits Agreement (COBA) Program, which establishes a national standard contract between the Centers for Medicare and Medicaid Services (CMS) and other health insurance organizations that defines the criteria for transmitting enrollee eligibility data and Medicare adjudicated claim data. CMS transferred the claims crossover function from individual Medicare contractors to a national Coordination of Benefits Contractor (COBC), Group Health Inc. (GHI).

GHI will not send any voided or adjusted claims for crossover. Please note that claims for people enrolled in a **Medicare Advantage Plan** (see article, this page) will not crossover via this process. If you have claims for a person enrolled in a Medicare Advantage Plan, you should first bill that insurance company. After the claim has been paid by the insurance company, then submit the paper crossover claim and Explanation of Medical Benefits (EOMB) from the insurance company to South Dakota Medical Assistance (SDMA).

SDMA providers experiencing trouble with electronic crossover claims not crossing over from Medicare to Medicaid need to submit their correct Medicare number to this office. It has been discovered on the provider file that many SDMA providers are either missing their Medicare number or the number is incorrect. Please submit Medicare numbers by e-mail to [medical@state.sd.us](mailto:medical@state.sd.us) or by fax to 605-773-5246 or mail to Division of Medical Services, Provider Enrollment, 700 Governors Drive, Pierre, SD 57501-2291.

If you have questions, please call 1-800-452-7691 or 605-773-3495 and ask for Provider Enrollment.

### Lead Screening Reminder

The South Dakota Medical Assistance (SDMA) Program reimburses for preventive healthcare services for children. According to the Centers for Medicare and Medicaid Services (CMS), all children on medical assistance are considered at risk for lead toxicity and must be screened. Routine lead screenings are recommended at 12 and 24 months of age. In addition, children between the ages of 36 and 72 months of age must receive a lead screening test if they have not been previously screened. The South Dakota Department of Health lab has the capacity to analyze samples for lead. If you have questions regarding an elevated lead screening please go to [www.cdc.gov/lead/](http://www.cdc.gov/lead/) for more information and guidelines.

### Medicare Advantage Plans

Medicare Advantage Plans are insurance plans certified by the Centers for Medicare and Medicaid Services (CMS) that provide coverage of Medicare Part A and Part B benefits; some Medicare Advantage Plans may offer additional benefits. These private plans replace Medicare as the insurance carrier for beneficiaries who join them.

In the past South Dakota Medical Assistance (SDMA) treated Medicare Advantage Plans like private health plans. We are pleased to announce that effective January 1, 2007, SDMA will process the payment of Medicare Advantage Plans the same as it would straight Medicare, meaning SDMA will be responsible for the co-payment and/or deductible when the service is medically necessary and a covered service under the SDMA program. In order to comply with this change in processing, these claims must be billed as paper crossover claims with the Explanation of Medical Benefits (EOMB) attached.

This policy change will benefit both SDMA recipients and providers.



### Electronic Funds Transfer

Direct deposit is a fast and safe way to receive reimbursement without having to worry about lost, stolen or damaged warrants. It is also an efficient use of resources that ensures timely reimbursement. South Dakota Medical Assistance (SDMA) is requiring all providers move to electronic funds transfer. Per the SDMA Program Provider Agreement, Section A, Item 17; all newly enrolled providers agree to accept payment from the medical assistance program via electronic funds transfer. SDMA will discontinue issuing paper checks as of **July 1, 2007**. In order to avoid a disruption in payment and to assure a smooth transition, we recommend making this change at your earliest convenience. To assist you with this requirement, please go to the following web site <http://dss.sd.gov/medicalservices/providerinfo/forms.asp> where you will find a Direct Deposit Enrollment Authorization Agreement allowing for the direct deposit of your SDMA payments.

If you have questions during this process, please call 1-800-452-7691 or 605-773-3495 and ask for Provider Enrollment.

## **National Provider Identification (NPI) Number**

As mandated by the Health Insurance Portability and Accountability Act (HIPAA) and to be compliant with the Centers for Medicare and Medicaid Services (CMS), please provide South Dakota Medical Assistance (SDMA) with your individual National Provider Identification (NPI) number. Include service and/or billing location NPI number, if applicable. Also submit taxonomy code(s) for this provider type and/or specialty. When submitting NPI numbers, include the legacy identifier (South Dakota Medicaid Provider Number) which matches that specific NPI number.

Effective immediately, providers may begin using the revised CMS 1500 (08/05) paper claim form. From now until February 1, 2007, providers may use both versions of the CMS 1500. After February 1, 2007, the current version of the 1500 claim form will be discontinued.

Starting March 1, 2007, providers may begin using the new UB-04 institutional claim form, which will replace the UB-92 form. From March 1, 2007 through May 22, 2007, providers may use both versions of the institutional claim form. The UB-92 will no longer be accepted after May 23, 2007.

Beginning May 23, 2007, all covered entities, except small health plans, must use only the NPI number in standard transactions (electronic submission and paper claim forms). Effective May 23, 2008, small health plans must use only the NPI number in standard transactions (electronic submission and paper claim forms).

To apply for an NPI number, go online at <https://nppes.cms.hhs.gov/> or call 1-800-465-3203 to request paper application. When assigned an NPI number, submit it by e-mail to [medical@state.sd.us](mailto:medical@state.sd.us) or by fax to 605-773-5246 or mail to Division of Medical Services, Provider Enrollment, 700 Governors Drive, Pierre, South Dakota 57501-2291. For general information on NPI numbers go to [www.cms.hhs.gov/NationalProvIdentStand](http://www.cms.hhs.gov/NationalProvIdentStand).

If you have questions, please call 1-800-452-7691 or 605-773-3495 and ask for Provider Enrollment.

## **Usual and Customary Charge - Rate Increases**

Under Administrative Rule of South Dakota (ARSD) 67:16, South Dakota Medical Assistance (SDMA) providers must submit claims to the Medicaid program at their usual and customary charge (UCC) to the general public. SDMA will reimburse the lesser of the provider's UCC or the amount allowable under Medicaid guidelines. It is in the provider's best interest to bill their usual and customary charge for two reasons. First, when SDMA increases their rates, any providers not aware of the increase who are billing the Medicaid allowable as their UCC are only receiving billed charges, and not the increased rate. Secondly, SDMA often draws on provider historical data to formulate possible rate increases. If a provider's UCC is the same as the Medicaid allowable, it will not support the need for a rate increase. It is to the advantage of all providers to bill their usual and customary charge.

## **Employee Education About False Claims Recovery**

Section 6032 of the Deficit Reduction Act of 2005 becomes effective January 1, 2007, and will require any health care organization receiving \$5 million or more in annual Medicaid reimbursement to inform employees about certain fraud and abuse laws and whistleblower protections in those laws.

Organizations who meet the reimbursement threshold will be required to adopt written policies for all employees, contractors, and agents in three areas:

1. Provision of detailed information about the False Claims Act and comparable state anti-fraud statutes;
2. Inclusion of detailed descriptions regarding the company's policies and procedures for detecting and preventing fraud, waste and abuse; and
3. Employee handbooks must describe the rights of employees to be protected as whistleblowers and must restate the company's policies concerning false claims laws and the company's internal process for preventing fraud, waste and abuse.

Compliance with Section 6032 is a condition of receiving Medicaid payment. For additional information, please go to <http://thomas.loc.gov>. Enter S.1932 in the search function, hit the search button, and then select S.1932.ENR.

Look for more detailed information on employee education about false claims recovery from South Dakota Medical Assistance soon.

## **Pregnancy Related Services**

The Pregnancy-related Program, is for pregnant women whose family income is at or below 133% of the Federal poverty level. Under this program, South Dakota Medical Assistance (SDMA) covers only those medically necessary services that would have a direct impact on the health of the unborn child, e.g. prenatal visits, prenatal vitamins, mother's illnesses which without treatment could impact the health of the unborn child, delivery, and postpartum care, non-inclusive. Prenatal provision of chiropractic care is covered if physician documentation exists indicating the condition was caused by the pregnancy and the chiropractic manipulation is medically necessary. Postpartum care under this program does not include care for sprained ankles, routine vision care, chiropractic manipulations, scrapes and cuts, or any other non postpartum or pregnancy related care service. SDMA providers need to be cognizant of this restricted coverage program and verify coverage through the recipient's Medicaid ID card. Services deemed non-pregnancy related will not be covered.



### Human Papillomavirus Virus Vaccine (HPV)

The Centers for Disease Control (CDC) Advisory Committee recommends the Human Papillomavirus Virus (HPV) Vaccination, because it is considered to be highly effective in preventing infections that are the cause of most cervical cancers. HPV has been added to the Vaccine for Children (VFC) program through the Department of Health for all VFC-eligible females, ages 11–18, beginning December 22, 2006. HPV is given in a 3 dose series. Effective immediately, the administration of Healthcare Common Procedure Coding System (HCPCS) procedure code 90649 may be billed to South Dakota Medical Assistance (SDMA) for VFC-eligible females ages 11-18 years of age. An administration rate of \$9.00 will be payable for this service. SDMA will also reimburse \$120.00 for HPV vaccination (all three doses) for females 9–20 years of age that are not covered by the VFC program also through HCPCS procedure code 90649.

If you have questions, please call the Telephone Service Unit at 1-800-452-7691. Out of state providers may call 605-773-3495 and ask for the service unit.

### Fluoride Treatment

South Dakota Medical Assistance (SDMA) supports that topical application of fluoride to a child's teeth by a provider is a safe and effective way to contribute to the prevention of tooth decay as part of a comprehensive oral health program. Effective for dates of service on and after January 1, 2007, SDMA will reimburse medical providers for topical applications of fluoride varnish for children 0-5 years of age at a frequency of three times per year with a reimbursement rate of \$16.71 per application. When submitting claims to SDMA for topical fluoride treatment, providers must indicate Healthcare Common Procedure Coding System (HCPCS) procedure code D1203 – Topical application of fluoride (prophylaxis not included) – Child.

If you have questions, please call the Telephone Service Unit at 1-800-452-7691. Out of state providers may call 605-773-3495 and ask for the service unit.

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### SOUTH DAKOTA MEDICAL ASSISTANCE ELIGIBILITY VERIFICATION

South Dakota residents who are eligible for state-sponsored medical benefits (Title XIX or CHIP) are issued a Medical Benefits Card. This card must be presented and used to verify a patient's eligibility through the South Dakota Department of Social Services, Division of Medical Services Medical Eligibility Verification System (MEVS) each time the patient receives services.

The MEVS offers numerous benefits to South Dakota healthcare providers:

- ❖ Access to the "live" medical eligibility file.
- ❖ Verification of eligibility for each person before a service is provided.
- ❖ Review of the recipient's record for program restrictions.
- ❖ Printable receipt of the eligibility information for the patient's record.
- ❖ Eligibility verification available 24 hours a day, seven days a week.

The MEVS electronic verification system gives you immediate access to the patient's eligibility status for the current date of service or a previous date of service. The process requires only a swipe of the patient's Medical Benefits Card through a point-of-service terminal or a few key strokes on a computer. If the response shows the patient is not eligible for the specified date of service, you know immediately that the patient is liable for payment of any services provided. The MEVS system may also be used to access data from other payer sources such as other state's Medical Assistance programs and from many private health insurance companies.

WebMD Emdeon, our contracted information provider, offers three options to verify eligibility information. The three options are:

- ❖ Point-of-service terminal (swipe device similar to credit card verification) which may be purchased or leased.
- ❖ Personal computer software.
- ❖ Secure Web based site.

All three options provide prompt response times, printable receipts and can verify eligibility status for prior dates of service. There is a nominal fee for each verification obtained through WebMD Emdeon.

The alternative to electronic verification is to use the SD Medical Assistance telephone audio response unit (ARU) by calling 1-800-452-7691. Each call takes approximately one minute to complete and this system is limited to current eligibility verification only.

For more information about the MEVS system, contact WebMD Emdeon at 1-800-735-8254, press '0' and ask for Enrollment or visit their Web site at [www.webmd.com](http://www.webmd.com).

